

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
vs.)	No.
)	Violations: Title 18 United
DONALD N. SNYDER, Jr.,)	States Code, Sections 1341,
JOHN J. ROBINSON, and)	1346, 1623 and 2
LARRY E. SIMS)	

INDICTMENT

The SPECIAL DECEMBER 2005 GRAND JURY charges:

1. At times material to this indictment:

Illinois Department of Corrections

A. The Illinois Department of Corrections (hereinafter "IDOC") was entrusted with the responsibility for maintaining and administering all State of Illinois correctional institutions and facilities under its control.

B. The Director of the IDOC was appointed by the Governor and oversaw the operation of the IDOC.

Defendant DONALD N. SNYDER, Jr.

C. Defendant DONALD N. SNYDER, Jr., was appointed as the Director of the IDOC in approximately January of 1999 and served as the Director until approximately February of 2003. As the Director of IDOC, defendant SNYDER had approval authority over the award of millions of dollars in contracts to vendors, including health care providers, who provided health care services in IDOC institutions.

Defendant JOHN J. ROBINSON

D. Defendant JOHN J. ROBINSON was the Undersheriff of Cook County from

approximately 1991 until 2001. In addition, beginning in 1996 and continuing thereafter through at least 2003, defendant ROBINSON was a paid consultant/lobbyist for several vendors and/or institutions seeking to promote and develop their business with IDOC.

Larry E. Sims

E. Larry E. Sims was a registered lobbyist for several vendors, including Vendor B, seeking to promote and develop their business with IDOC.

J. Patrick Noll

F. J. Patrick Noll (“JPN”) was an Illinois company formed by defendant ROBINSON. JPN was under retainer to develop and promote correctional business for several vendors, including Vendor A. Under the terms of its 1996 contract with Vendor A, JPN was paid at an initial rate of \$2,500 per month plus 5% of Vendor A’s income from Illinois corrections contracts. Per the 1996 contract, JPN’s monthly retainer rose to \$4,500 per month once Vendor A’s income from Illinois corrections contracts exceeded \$4 million.

Vendor A

G. Vendor A was a health care company based in Illinois that was trying to promote and develop its business as a correctional health care provider. During defendant SNYDER’s tenure as Director of IDOC, Vendor A was awarded millions of dollars in contracts to provide health care services at Illinois prisons.

Vendor B

H. Vendor B was a health care company based in Pennsylvania that was trying to promote and develop its business as a correctional health care provider. During defendant SNYDER’s tenure as Director of IDOC, Vendor B was awarded millions of dollars in contracts to

provide health care services at Illinois prisons.

Laws and Duties Applicable to Defendant SNYDER

2. Defendant SNYDER, as an officer of the State of Illinois, was bound by the following laws, duties, policies and procedures:

A. In his capacity as the Director of IDOC, defendant SNYDER owed a duty of honest services to the people of the State of Illinois and to the State of Illinois in the performance of his public duties.

B. Pursuant to the criminal laws of the State of Illinois (720 ILCS 5/33-1(d)), as Director of IDOC, defendant SNYDER was prohibited from receiving, retaining, or agreeing to accept any property or personal advantage which he was not authorized by law to accept, knowing that such property or personal advantage was promised or tendered with intent to cause him to influence the performance of any act related to the employment or function of his public office.

C. Pursuant to the criminal laws of the State of Illinois (720 ILCS 5/33-3(c) and (d)), as Director of IDOC, defendant SNYDER was prohibited from committing the following acts in his official capacity: (1) performing an act in excess of his lawful authority, with intent to obtain a personal advantage for himself or others; and (2) soliciting or knowingly accepting, for the performance of any act, a fee or reward which he knew was not authorized by law.

D. Pursuant to the criminal laws of the State of Illinois, including the Illinois Governmental Ethics Act (5 ILCS 420/4A-101), as Director of IDOC, defendant SNYDER was obligated to file annually a Statement of Economic Interest with the State of Illinois, wherein he was required to disclose, among other things: (1) the name of any entity doing business in the State of Illinois from which he derived income during the preceding calendar year in excess of \$1,200 (that

is, income other than for specified professional services); (2) the identity of any compensated lobbyist with whom he maintained a close economic association; and (3) the name of any entity from which a gift or gifts valued singly or in the aggregate in excess of \$500 was received during the preceding calendar year. If defendant SNYDER constructively controlled the interest described in (1) or (3) of a spouse or third party, he was obligated to disclose the interest as if it were his own.

E. Pursuant to the criminal laws of the State of Illinois, including the Illinois Gift Ban Act (5 ILCS 425/10), as Director of IDOC, except as otherwise provided by the Gift Ban Act, defendant SNYDER was prohibited from soliciting or accepting any gifts from any prohibited source or in violation of any federal or state statute, rule or regulation. Prohibited sources included, among others, anyone who was registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, described below.

Laws and Duties Applicable To Sims and Defendant ROBINSON

3. In performing certain alleged functions as set forth below, Sims and defendant ROBINSON were bound by the following laws and duties:

A. Pursuant to the criminal laws of the State of Illinois (720 ILCS 5/33-1(c)), Sims and defendant ROBINSON were prohibited from promising or tendering to a public official, with intent to influence the performance of any official act, any property or personal advantage which the public officer would not be authorized by law to accept.

B. Pursuant to the Lobbyist Registration Act (25 ILCS 170/1-170/12), Sims and defendant ROBINSON were required to register with the Secretary of State's Office as lobbyists if they qualified under either of the following definitions: "(1) Any person who, for compensation or otherwise, either individually or as an employee or contractual employee of another person,

undertakes to influence executive, legislative or administrative action”; or “(2) Any person who employs another person for the purposes of influencing executive, legislative or administrative action.”

C. Pursuant to the Lobbyist Registration Act, Sims and defendant ROBINSON had an obligation to disclose in annual statements filed with the Secretary of State’s Office all expenditures related to lobbying, and to itemize any expenditures over \$100 made on behalf of, or benefits given to, any legislative or executive branch official, including gifts and travel and entertainment expenses.

The Scheme To Defraud

4. Beginning in the latter part of 1999 and continuing through at least December of 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr.,
JOHN J. ROBINSON,

defendants herein, Larry E. Sims, and another co-schemer known to the Grand Jury, devised and intended to devise, and participated in, a scheme to defraud the people of the State of Illinois, and the State of Illinois, of money, property and the intangible right to the honest services of defendant SNYDER, by means of materially false and fraudulent pretenses, representations, promises and material omissions, and in furtherance thereof used the United States mails and other interstate carriers, which scheme is further described in the following paragraphs:

Cash Payments from Sims to Snyder

5. It was a part of the scheme that in approximately late 1999 or early 2000, defendant SNYDER and Sims discussed the compensation that Sims was receiving from Vendor B, and Sims agreed to pay SNYDER a cash kickback derived from the monthly fee that Sims was

receiving from Vendor B.

6. It was further part of the scheme that beginning in early 2000 and continuing until approximately the end of 2002, after receiving his fee each month from Vendor B, Sims gave cash to defendant SNYDER as part of the kickback scheme. During the period of the scheme, Sims gave approximately \$30,000 in cash to defendant SNYDER.

7. It was further part of the scheme that in order to conceal the cash kickbacks he was paying to defendant SNYDER, Sims filed false lobbyist registration statements in which he failed to report any of the cash he had paid to defendant SNYDER.

8. It was further part of the scheme that in order to conceal the cash kickbacks he was receiving from Sims, defendant SNYDER filed false Statements of Economic Interest in which he failed to report any of the cash he had received from Sims.

9. It was further part of the scheme that in order to conceal the payment of the cash kickbacks, Sims and defendant SNYDER lied to federal law enforcement officials investigating whether Sims had given anything of value to defendant SNYDER.

10. It was further part of the scheme that in consideration of the cash kickbacks he was receiving from Sims, defendant SNYDER, in his position as IDOC Director, gave Sims information and assistance on issues and concerns raised by Sims on behalf of his various vendor clients.

Cash Payments from defendant ROBINSON to defendant SNYDER

11. It was further part of the scheme that in late 1999 or early 2000, defendant SNYDER agreed to accept cash payments derived from the consulting or lobbying fees that defendant ROBINSON and another co-schemer were earning for their representation of one or more

vendor(s) doing business with IDOC.

12. It was further part of the scheme that from approximately early 2000 until December of 2002, defendant ROBINSON and the other co-schemer arranged to pay cash kickbacks to defendant SNYDER amounting to approximately one-fourth of the monthly fee that JPN, ROBINSON's company, was receiving from Vendor A. The total amount of cash kickbacks paid to defendant SNYDER was approximately \$20,000.

13. It was further part of the scheme that defendant ROBINSON paid SNYDER the cash kickbacks periodically when ROBINSON met SNYDER at various corrections-related meetings or events. Depending on the frequency of their meetings, on each occasion when the kickbacks were paid, defendant ROBINSON paid SNYDER an amount of cash equivalent to one or more months of kickbacks.

14. It was further part of the scheme that in consideration for the cash kickbacks he was receiving from defendant ROBINSON, defendant SNYDER, in his position as IDOC Director gave defendant ROBINSON and the other co-schemer information and assistance on issues and concerns raised by them on behalf of their various vendor clients.

15. It was further part of the scheme that in order to conceal the cash kickbacks he was receiving from defendant ROBINSON, defendant SNYDER filed false Statements of Economic Interest in which he failed to report any of the cash that he had received from defendant ROBINSON.

16. It was further part of the scheme that in order to conceal the payment of the cash kickbacks, defendant ROBINSON lied to federal law enforcement officials investigating whether ROBINSON had given anything of value to defendant SNYDER.

Concealment

17. It was further part of the scheme that the defendants concealed and hid and caused to be concealed and hidden the purposes of the acts done in furtherance of the scheme.

Mailing

18. On or about July 25, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr., and
JOHN J. ROBINSON,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by mail a letter containing a \$4,500 check, number 027428, payable to JPN, sent from the offices of Vendor A, to JPN at P.O. Box 557 in Dundee, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNT TWO

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and reincorporated as though fully set forth herein .

2. On or about August 5, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr., and
JOHN J. ROBINSON,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by mail a letter containing a \$4,500 check, number 028222, payable to JPN, sent from the offices of Vendor A, to JPN at P.O. Box 557 in Dundee, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNT THREE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and reincorporated as though fully set forth herein .

2. On or about October 10, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr.,and
JOHN J. ROBINSON,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by mail a letter containing a \$9,000 check, number 033404, payable to JPN, sent from the offices of Vendor A, to JPN at P.O. Box 557 in Dundee, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNT FOUR

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and reincorporated as though fully set forth herein .

2. On or about November 21, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr.,and
JOHN J. ROBINSON,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by mail a letter containing a \$4,500 check, number 036696, payable to JPN, sent from the offices of Vendor A, to JPN at P.O. Box 557 in Dundee, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNT FIVE

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1 through 17 of Count One of this indictment are realleged and reincorporated as though fully set forth herein .

2. On or about December 4, 2002, in the Northern District of Illinois, Eastern Division, and elsewhere,

DONALD N. SNYDER, Jr.,and
JOHN J. ROBINSON,

defendants herein, for the purpose of executing the above-described scheme and attempting to do so, did knowingly cause to be delivered by mail a letter containing a \$4,500 check, number 037572, payable to JPN, sent from the offices of Vendor A, to JPN at P.O. Box 557 in Dundee, Illinois;

In violation of Title 18, United States Code, Sections 1341, 1346 and 2.

COUNT SIX

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. Paragraphs 1A, 1B, 1C, 1E and 1H of Count One of this indictment are realleged and reincorporated as though fully set forth herein .

2. As of May 2005, the Special May 2004 Grand Jury was investigating the award of contracts during the tenure of defendant DONALD N. SNYDER, Jr. as Director of IDOC, and whether defendant SNYDER had received any gifts, benefits and cash from lobbyists, vendors, and representatives of vendors that had been awarded contracts or that were seeking contracts with IDOC.

3. On or about May 5, 2005, at Chicago, in the Northern District of Illinois, Eastern Division,

LARRY E. SIMS,

defendant herein, was placed under oath prior to testifying before the SPECIAL MAY 2004 GRAND JURY in connection with Grand Jury Investigation No. 04 GJ 24;

4. Defendant SIMS, having been first duly sworn to tell the truth, and being under oath, knowingly made false material declarations by stating, in substance, the following:

Q. Sir, did you give Director Snyder any gifts at any time?

A. Like I told you earlier, I gave him a Green Bay Packers sweatshirt one time.

Q. When was that?

A. And again, I don't recall.

Q. Do you know if he was director when you gave that to him?

A. I do not.

Q. Other than the sweatshirt, did you give him any other gifts?

A. No.

Q. Ever?

A. Not that I can remember

Q. Did you give him cash at any time?

A. No.

WHEREAS, in truth and fact, as defendant LARRY E. SIMS then well knew, he had given to defendant SNYDER cash kickbacks which were derived from the lobbying fees that defendant SIMS was receiving from Vendor B.

In violation of Title 18, United States Code, Section 1623.

FORFEITURE ALLEGATION

The SPECIAL DECEMBER 2005 GRAND JURY further charges:

1. The allegations contained in Counts 1 through 5 of this Indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of his violations of Title 18, United States Code, Section 1341 as alleged in the foregoing Indictment,

DONALD N. SNYDER, Jr.,

defendant herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendant jointly and severally subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include funds in the amount of \$50,000. .

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendant:

- (a) Cannot be located upon the exercise of due diligence;
- (b) Has been transferred or sold to, or deposited with, a third party;
- (c) Has been placed beyond the jurisdiction of the Court;
- (d) Has been substantially diminished in value; or

(e) Has been commingled with other property which cannot be divided without difficulty, the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY